

PHILCOMSAT HOLDINGS CORPORATION, ENRIQUE L. LOCSIN AND MANUEL D. ANDAL, PETITIONERS, VS. SENATE OF THE REPUBLIC OF THE PHILIPPINES, SENATE COMMITTEE ON GOVERNMENT CORPORATIONS A...

G.R. No. 180308. June 19, 2012

Ponente: PERLAS-BERNABE, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-180308/>

PERLAS-BERNABE, J.:

This original Petition for Certiorari and Prohibition assails and seeks to enjoin the implementation of and nullify Committee Report No. 312[1] submitted by respondents Senate Committees on Government Corporations and Public Enterprises and on Public Services (respondents Senate Committees) on June 7, 2007 for allegedly having been approved by respondent Senate of the Republic of the Philippines (respondent Senate) with grave abuse of discretion amounting to lack or in excess of jurisdiction.

The Factual Antecedents

The Philippine Communications Satellite Corporation (PHILCOMSAT) is a wholly-owned subsidiary of the Philippine Overseas Telecommunications Corporation (POTC), a government-sequestered organization in which the Republic of the Philippines holds a 35% interest in shares of stocks.[2] Petitioner PHILCOMSAT Holdings Corporation (PHC), meanwhile, is a private corporation duly organized and existing under Philippine laws and a holding company whose main operation is collecting the money market interest income of PHILCOMSAT.

Petitioners Enrique L. Locsin and Manuel D. Andal are both directors and corporate officers of PHC, as well as nominees of the government to the board of directors of both POTC and PHILCOMSAT.[3] By virtue of its interests in both PHILCOMSAT and POTC, the government has, likewise, substantial interest in PHC.

For the period from 1986 to 1996, the government, through the Presidential Commission on Good Government (PCGG), regularly received cash dividends from POTC. In 1998, however, POTC suffered its first loss. Similarly, in 2004, PHC sustained a P7-million loss attributable to its huge operating expenses. By 2005, PHC's operating expenses had ballooned tremendously. Likewise, several PHC board members established Telecommunications Center, Inc. (TCI), a wholly-owned PHC subsidiary to which PHC funds had been allegedly advanced without the appropriate accountability reports given to PHC and PHILCOMSAT.[4]

On February 20, 2006, in view of the losses that the government continued to incur and in order to protect its interests in POTC, PHILCOMSAT and PHC, Senator Miriam Defensor Santiago, during the Second Regular Session of the Thirteenth Congress of the Philippines, introduced Proposed Senate Resolution (PSR) No. 455[5] directing the conduct of an inquiry, in aid of legislation, on the anomalous losses incurred by POTC, PHILCOMSAT and PHC and the mismanagement committed by their respective board of directors. PSR No. 455 was referred to respondent Committee on Government Corporations and Public Enterprises, which conducted eleven (11) public hearings[6] on various dates. Petitioners Locsin and Andal were invited to attend these

hearings as “resource persons.”

On June 7, 2007, respondents Senate Committees submitted the assailed Committee Report No. 312, where it noted the need to examine the role of the PCGG in the management of POTC, PHILCOMSAT and PHC. After due proceedings, the respondents Senate Committees found overwhelming mismanagement by the PCGG and its nominees over POTC, PHILCOMSAT and PHC, and that PCGG was negligent in performing its mandate to preserve the government's interests in the said corporations. In sum, Committee Report No. 312 recommended, inter alia, the privatization and transfer of the jurisdiction over the shares of the government in POTC and PHILCOMSAT to the Privatization Management Office (PMO) under the Department of Finance (DOF) and the replacement of government nominees as directors of POTC and PHILCOMSAT.

On November 15, 2007, petitioners filed the instant petition before the Court, questioning, in particular, the haste with which the respondent Senate approved the challenged Committee Report No. 312.[7] They also claim that respondent Senator Richard Gordon acted with partiality and bias and denied them their basic right to counsel,[8] and that respondent Senator Juan Ponce Enrile, despite having voluntarily recused himself from the proceedings in view of his personal interests in POTC, nonetheless continued to participate actively in the hearings.[9]

Issues Before The Court

The basic issues advanced before the Court are: (1) whether the respondent Senate committed grave abuse of discretion amounting to lack or in excess of jurisdiction in approving Committee Resolution No. 312; and (2) whether it should be nullified, having proposed no piece of legislation and having been hastily approved by the respondent Senate.

The Court's Ruling

The respondents Senate Committees' power of inquiry relative to PSR No. 455 has been passed upon and upheld in the consolidated cases of *In the Matter of the Petition for Habeas Corpus of Camilo L. Sabio*,[10] which cited Article VI, Section 21 of the Constitution, as follows:

“The Senate or the House of Representatives or any of its respective committees may conduct inquiries in aid of legislation in accordance with its duly published rules of procedure. The rights of persons appearing in or affected by such inquiries shall be respected.”

The Court explained that such conferral of the legislative power of inquiry upon any committee of Congress, in this case the respondents Senate Committees, must carry with it all powers necessary and proper for its effective discharge.[11]

On this score, the respondents Senate Committees cannot be said to have acted with grave abuse of discretion amounting to lack or in excess of jurisdiction when it submitted Committee Resolution No. 312, given its constitutional mandate to conduct legislative inquiries. Nor can the respondent Senate be faulted for doing so on the very same day that the assailed resolution was submitted. The wide latitude given to Congress with respect to these legislative inquiries has long been settled, otherwise, Article VI, Section 21 would be rendered pointless.[12]

Hence, on the basis of the pronouncements in the *Sabio* case, and as suggested[13] by the parties in their respective pleadings, the issues put forth in the petition[14] have become academic.

Corollarily, petitioners Locsin and Andal's allegation[15] that their constitutionally-guaranteed right to counsel was violated during the hearings held in furtherance of PSR No. 455 is specious. The right to be assisted by counsel can only be invoked by a person under custodial investigation suspected for the commission of a crime, and therefore attaches only during such custodial investigation.[16] Since petitioners Locsin and Andal were

invited to the public hearings as resource persons, they cannot therefore validly invoke their right to counsel.

WHEREFORE, the instant petition is DISMISSED.

SO ORDERED.

Carpio, Leonardo-De Castro, Brion, Peralta, Bersamin, Del Castillo, Abad, Villarama, Jr. Perez, Sereno, and Reyes, JJ., concur.

Velasco, Jr., J., on official leave.

Mendoza, J., on wellness leave.

[1] Rollo, pp. 68-87.

[2] Id. at p. 88.

[3] Id. at p. 14.

[4] Id. at pp. 88-89.

[5] Entitled “DIRECTING AN INQUIRY, IN AID OF LEGISLATION, ON THE ANOMALOUS LOSSES INCURRED BY THE PHILIPPINE OVERSEAS TELECOMMUNICATIONS CORPORATION (POTC), PHILIPPINE COMMUNICATIONS SATELLITE CORPORATION (PHILCOMSAT) AND PHILCOMSAT HOLDINGS CORPORATION (PHC) DUE TO THE ALLEGED IMPROPRIETIES IN THE OPERATIONS BY THEIR RESPECTIVE BOARD OF DIRECTORS”; Id. at pp. 88-89.

[6] Id. at p. 71, 5th paragraph.

[7] Id. at p. 6, 3rd paragraph.

[8] Id. at p. 22, 2nd paragraph.

[9] Id. at p. 16, 3rd paragraph.

[10] G.R. Nos. 174340, 174318 and 174177, October 17, 2006, 504 SCRA 704, 723.

[11] Id.

[12] Supra at note 10.

[13] Rollo, p. 795; Id., p. 818.

[14] Id., pp. 3-59.

[15] Id., pp. 35-37.

[16] *People of the Philippines v. Valeriano Amestuzo, et. al.*, G.R. No. 104383, July 12, 2001, 361 SCRA 184-200.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.